House
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Conference

Legislative Digest

Week of March 20, 2000 Vol. XXIX, #7, March 17, 2000

J.C. Watts, Jr.
Chairman
4th District, Oklahoma

Monday, March 20

House Meets at 2:00 p.m. for Pro Forma Session

Tuesday, March 21

House Meets at 12:30 for Morning Hour and 2:00 p.m. for Legislative Business
(No Votes Before 7:00 p.m.)

**** Five Suspensions**

Wednesday, March 22, and the Balance of the Week

House Meets at 10:00 a.m. for Legislative Business

⇨To be published in a future issue of the *Legislative Digest*

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Kevin Smith: *Senior Legislative Analyst*

Scott Galupo, Brendan Shields,
Heather Valentine & Michelle Yahng:
Legislative Analysts

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Sense of Congress Supporting National Family Day

H.Con.Res. 288

Committee on Education & the Workforce
No Report Filed
Introduced by Mr. Toomey *et al*. on March 16, 2000

Floor Situation:

The House is scheduled to consider H.Con.Res. 288 under suspension of the rules on Tuesday, March 21, 2000. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

Summary:

H.Con.Res. 288 expresses the sense of Congress to (1) recognize the importance of children and families to the future of the U.S.; (2) express support for the goals and ideas of National Family Day as established by KidsPeace; (3) encourage Americans to participate in local and national activities honoring National Family Day; and (4) believe that families who communicate and spend time together create stronger family ties.

National Family Day is an annual holiday held every March—developed by KidsPeace and the National Tabletop and Giftware Association—to recognize the importance of family. KidsPeace, one of the largest non-profit organizations helping kids overcome crisis, researched establishing a new holiday for families and concluded families must be encouraged to engage in conversation, especially at mealtime. National Family Day will be held on March 26 this year.

National Family Day celebrations focus on the concept of good communication being the driving force that brings children and families together. To reflect, share, and reconnect around the dinner table is the key to rekindling the closeness that families need for open communication, supporters say. As early as 2001, KidsPeace and the National Tabletop and Giftware Association plan to issue a report detailing the most pressing issue facing families and recommend it for a family discussion topic.

Committee Action:

The resolution was not considered by a House committee.

Christina Carr, 226-2302
Heather Valentine, 226-7860

Kern County Land Exchange Act

H.R. 1680

Committee on Resources
H.Rept. 106-510
Introduced by Mr. Thomas on May 4, 1999

Floor Situation:

The House is scheduled to consider H.R. 1680 under suspension of the rules on Tuesday, March 21, 2000. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

Summary:

H.R. 1680 conveys four parcels of land currently under the jurisdiction of the Forest Service to Kern County, California, in exchange for county lands that will become a part of the Sequoia National Forest. Specifically, the land that will be transferred to Kern County consists of (1) 70 acres known as Camp Owen; (2) four acres known as Wofford Heights Park; (3) four acres known as the French Gulch maintenance yard; and (4) 14 acres known as the Kernville Fish Hatchery. In exchange, the county will convey 52 acres of the Greenhorn Mountain Park to the federal government, provide a storage facility for the Greenhorn Ranger District Lake Isabella Maintenance Yard owned by the federal government, and remit an "equalization payment" to the Forest Service of up to $100,000 to be determined by the Agriculture Secretary.

Camp Owen is a juvenile justice facility that has been operated by Kern County for the last 50 years. Wofford Heights Park is a small park in the rural community of Wofford Heights, and the French Gulch Maintenance Yard is currently used by Kern County to maintain its parks. The Kernville Fish Hatchery is located across the road from Camp Owen and is currently operated by the state of California under permit from the Forest Service. Kern County expects to continue the state's permit so that the hatchery's operations will not face any disruption.

Kern County currently owns and operates the Greenhorn Mountain Park, a 160-acre forested park located within the Sequoia National Forest. The federal government uses many of the county-owned facilities to service the surrounding national lands. The Forest Service uses the roads and water system, operates an emergency aid office on the land, and uses sheds on the site to store equipment. The bill conveys 52 acres of this land to the federal government, reducing an inholding in the Sequoia National Forest and enabling the Forest Service to use the land without having to obtain a county permit.

Costs/Committee Action:

CBO estimates that enactment of H.R. 1680 will have no significant effect on the federal budget, save for a one-time increase in receipts that will amount to between $30,000 and $50,000 for FY 2001. The bill affects direct spending, so pay-as-you-go procedures apply.

The Resources Committee reported the bill by voice vote on February 16, 2000.

Michelle Yahng, 226-6871

Urging the National Park Service to Use DOD Support Services

H.Res. 182

Committee on Resources
No Report Filed
Introduced by Mr. DeFazio *et al.* on May 6, 1999

Floor Situation:

The House is scheduled to consider H.Res. 182 under suspension of the rules on Tuesday, March 21, 2000. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

Summary:

H.Res. 182 expresses the sense of the House of Representatives that the National Park Service (NPS) should take full advantage of support services offered by the Department of Defense. The NPS was established to promote and regulate units of superlative natural, historic, and recreation areas designated as national parks, monuments, and other reserves and to conserve scenery and wildlife. The service has built structures, roads, and other facilities to aid in accomplishing these goals; however, the service has reported a backlog of projects necessary to maintain them that will cost approximately $6 billion to correct.

The Defense Department has the authority to provide support and services to other federal agencies, including the NPS. Part of this support could be provided by the Civil Military Department of Defense Innovative Readiness Training Program that is designed to improve military readiness while providing hands-on training opportunities for military personnel and assisting with meeting domestic priorities. The Defense Department's support and service through this program could substantially aid in reducing the backlog of maintenance and other projects identified by the NPS. This bill urges the National Park Service to immediately take full advantage of the support services offered by the department in order to help alleviate this backlog.

Costs/Committee Action:

A CBO estimate was unavailable at press time.

The Resources Committee reported the bill by voice vote on March 15, 2000.

Michelle Yahng, 226-6871

Miwaleta Park Expansion Act

H.R. 1725

Committee on Resources
H.Rept. 106-446
Introduced by Mr. DeFazio *et al.* on May 6, 1999

Floor Situation:

The House is scheduled to consider H.R. 1725 under suspension of the rules on Tuesday, March 21, 2000. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

Summary:

H.R. 1725 directs the Interior Secretary to convey, without compensation, 28.5 acres of land to Douglas County in Oregon. The land includes Miwaleta Park, which is managed by the county, and an adjacent tract of federal land managed by the Bureau of Land Management. If the Interior Secretary determines after the transfer that the land is not being used for recreational purposes, all rights and titles to the land will revert back to the United States.

Miwaleta Park is currently managed by the Douglas County as a day-use recreational area and a boat ramp facility at Galesville Reservoir. The county is seeking the rights and titles to the land to construct a campground. This type of transfer may be made administratively under the 1926 Recreation and Public Purposes Act (*P.L. 69-386*); however, the number of assessments and consultations involved has resulted in a lengthy approval process. The county would like to begin construction on the campground as soon as possible; this bill seeks to expedite the process. The approval process has been delayed because of the presence of a bald eagle nest within one mile of the proposed campground and the fact that several juvenile spotted owls have been seen in the vicinity.

Costs/Committee Action:

CBO estimates that enactment of H.R. 1725 will have no significant effect on the federal budget. The bill does not affect direct spending, so pay-as-you-go procedures do not apply.

The Resources Committee reported the bill by voice vote on October 20, 1999.

Michelle Yahng, 226-6871

Designating the Captain Colin P. Kelly, Jr. Post Office

H.R. 1666

Committee on Government Reform
No Report Filed
Introduced by Mr. Boyd *et al.* on May 4, 1999

Floor Situation:

The House is scheduled to consider H.R. 1666 under suspension of the rules on Tuesday, March 21, 2000. It is debatable for 40 minutes, may not be amended, and requires a two-thirds majority vote for passage.

Summary:

H.R. 1666 designates the post office located at 200 East Pinckney Street in Madison, Florida, as the "Captain Colin P. Kelly, Jr. Post Office." Captain Kelly is a decorated veteran who is recognized by many as America's first WWII hero. Shortly after the bombing of Pearl Harbor, Kelly and his crew were ordered on a bombing mission to attack the Japanese fleet. After completing their bombing run, his plane was attacked by two Japanese fighters. Kelly was given the order to abandon the aircraft, but remained at the controls to maintain the plane's elevation so his crew could safely bail out. He did not have time to escape and was killed in the line of duty on December 10, 1941. President Roosevelt awarded Captain Kelly the Distinguished Service Cross posthumously for his actions. The designation of the post office in his hometown is a tribute to his patriotism and heroism.

Committee Action:

The Government Reform Committee reported the bill by voice vote on September 30, 1999.

Michelle Yahng, 226-6871

Nuclear Waste Policy Amendments Act

S. 1287

Committee on Energy and Natural Resources
Referred to the House on February 14, 2000

Floor Situation:

The House is scheduled to consider S. 1287 on Wednesday, March 22, 2000. The Rules Committee is scheduled to meet on the bill at 7:30 p.m. on Tuesday, March 21. Additional information on the rule and potential amendments will be provided in a *FloorPrep* prior to floor consideration.

Highlights:

S. 1287 revises the 1987 Nuclear Waste Policy Act (*P.L. 100-202* and *P.L. 100-203)* to address problems and delays that have occurred during the development of a permanent disposal site for nuclear waste. This measure will advance the schedule for receiving nuclear waste at a planned permanent repository at Yucca Mountain, Nevada.

Specifically, the bill (1) requires Congress to approve any increase in nuclear waste fees; (2) sets a schedule for developing a repository to receive spent fuel as early as 2007 if the Nuclear Regulatory Commission (NRC) grants a construction permit; (3) authorizes backup storage at the repository for any spent fuel that utilities are not able to store on site; (4) allows the EPA to set radiation standards (after consulting with the National Academy of Sciences and the NRC) after June 1, 2001; (5) requires that all contract holders must elect within 180 days whether to enter into settlement negotiations with the Energy Secretary on outstanding litigation; (6) establishes an acceptance schedule for high-level commercial and defense waste at one central site; (7) transfers 76,000 acres of land to Nevada counties to assist them with the impact of the repository; and (8) uses the Waste Isolation Pilot Plant (WIPP) model for transportation.

The bill does not include "take title" provisions that were included in earlier versions of the Senate bill, which would have required DOE to pay for storing spent nuclear fuel at dozens of nuclear reactors across the country. This provision was dropped after the objections of several governors. In addition, the bill does not authorize a centralized interim storage facility. Other bills relating to nuclear waste contained provisions to allow nuclear waste to be stored at an interim facility near Yucca Mountain years before the permanent site would be completed; however, these provisions were removed in response to administration objections.

The Senate passed S. 1287 by a vote of 64-34 on February 10, 2000.

Background:

Nuclear Power

Since the 1950s, the federal government has been intimately involved in the nuclear industry in a variety of capacities. Nuclear energy was long ago determined to have the potential to provide a clean and efficient

alternate source of power to a growing economy. As advances have been made, and despite lingering concerns about the safety of nuclear power resulting from well-publicized problems with nuclear facilities, nuclear energy has become an important component of the nation's energy infrastructure. The demand for nuclear power expanded greatly during the OPEC oil embargo of the 1970s, to the point that today nuclear power provides 20 percent of the nation's electricity. Electricity produced in nuclear power plants is cheaper than that produced using oil and is similar in cost to coal-produced electricity. Furthermore, nuclear energy production results in fewer greenhouse gas emissions than fossil fuel production.

Nuclear energy is no panacea, however, and has a number of potentially negative side effects. It is produced by creating steam through heat given off during the process of nuclear fission. This process is contained in 15-foot metal-clad rods, located in the core of the reactor. These rods contain enriched uranium that emits radioactivity. As fission occurs repeatedly, the enriched uranium splits into a variety of highly radioactive fission byproducts. After an extended period of electricity production, the rods lose their production capacity and are removed from the reactor. Upon removal, the rods are highly radioactive and can pose a serious risk to surrounding communities if exposed.

The removed rods are extremely hot in temperature and must be stored safely. In order to cool the rods, nuclear power plants store them in large cooling pools adjacent to the nuclear reactor. These pools effectively protect the surrounding community and workers from heat and radiation. Unfortunately, space in the pools is limited at many of the nuclear power plants. As a secondary storage option, nuclear power plants store spent fuel rods in on-site dry storage casks made of either metal or concrete. While these casks are not considered to be as safe as pool storage, the Nuclear Regulatory Commission has determined that spent fuel could be stored safely at reactor sites for up to 100 years, with proper oversight and sufficient storage space.

Since their inception during the 1940s, the nation's civilian nuclear activities have generated 40,000 metric tons of radioactive waste, producing 27.5 billion curies of radioactivity. A typical large nuclear reactor discharges an average of 20-30 metric tons of spent fuel per year and the industry as a whole produces about 2,000 metric tons per year. Additionally, nuclear technology also plays a vital role in the U.S. government's weapons and research activities. Therefore, in addition to the thousands of tons of civilian nuclear waste at nuclear reactors, 2,500 metric tons of spent nuclear fuel and 403,000 cubic-meters of government high-level radioactive waste exists and must be stored permanently as well.

Nuclear waste actually includes a variety of different substances, which are measured on the basis of four factors: (1) its volume, (2) the amount of radioactive curies emitted, (3) the rate at which radioactivity diminishes (i.e., the half-life of the radioisotope), and (4) the volatility of the substance and how it reacts to other factors.

The Department of Energy (DOE) typically classifies nuclear waste in one of five categories: spent nuclear fuel (removed rods no longer able to sustain nuclear chain reactions in nuclear reactors), high-level waste (radioactive remains of defense-related spent fuel reprocessing), transuranic waste (waste created by nuclear weapons production that contains high levels of radioisotopes with long half-lives), uranium mill tailings (residue from processing uranium ore which, when present in large quantities, can contaminate ground water supplies or emit radon), and low-level waste (articles such as exposed protective gear and byproducts of scientific research that can give off varying levels of radioactivity, but generally pose a lesser risk). Low-level waste is responsible for 86 percent of the volume but less than one-tenth of one percent of the radioactivity. Conversely, spent nuclear fuel accounts for 96 percent of radioactivity but less than one percent of the total volume.

On-Site Storage

Currently, spent nuclear fuel from civilian reactors is stored at the site where it was produced. Defense-related wastes are stored by DOD at its own sites throughout the country, under conditions that all too often do not meet desirable safety standards (although efforts are being made to rectify this situation). The most current debate is over whether a central interim storage facility is safer than on-site storage. Proponents of an interim site near the proposed permanent site argue that nuclear waste must be removed from highly populated areas and on-site storage facilities that are near or at capacity. Opponents argue that the waste is best kept at the nuclear reactor where it was created until a long-term disposal site is established.

1982 Nuclear Waste Policy Act and 1987 Amendments

The 1982 Nuclear Waste Policy Act (*P.L. 97-*425) codified the federal government's commitment to permanently dispose of all defense-related waste, high-level radioactive waste, and spent nuclear fuel from civilian nuclear power plants. Under this law, DOE had the statutory and contractual obligation to begin accepting spent fuel from utilities by January 31, 1998. Currently, the federal government faces numerous liability cases totaling tens of billion of dollars for not accepting the waste. Its companion, the 1985 Low-Level Radioactive Waste Policy Act (*P.L. 99-240*), delegates to the states the responsibility for storing less dangerous waste products to the states.

The 1982 law required DOE to establish two permanent repositories, one on each coast, in order to begin accepting nuclear waste by 1998. It directed DOE to study a list of locations and examine the feasibility of isolating the waste underground. It also established a revenue stream for creating the storage facilities by charging civilian energy producers a fee based on the amount of electricity generated and sold, the proceeds of which are deposited in a special Nuclear Waste Fund. All annual appropriations for storage planning and construction activities come out of the fund. To date, the fund has received payments in excess of $8 billion, which together with interest has grown to $13 billion in available resources. The fund has disbursed more than $5.5 billion, including $2.5 billion specifically for activities at the Yucca Mountain site in Nevada.

Within five years of passage of the 1982 law, DOE had established three potential sites for the west coast storage facility but was unsuccessful in locating a site on the east coast. With little progress toward meeting DOE's 1998 acceptance deadline, Congress passed the 1987 Nuclear Waste Policy Act Amendments (*P.L. 100-202* and *P.L. 100-203*). The amendments dropped the plan for a second repository in order to concentrate DOE resources and the Nuclear Waste Fund on developing a single repository at Yucca Mountain.

In order to avoid further delays in constructing a storage facility, the 1987 law also authorized the construction of a Monitored Retrievable Storage (MRS) facility that would hold the waste until the Yucca Mountain facility could be completed. The amendments prohibited DOE from establishing the interim facility at the same location as the permanent facility and established separate accounts within the Nuclear Waste Fund for the interim and permanent facilities. Despite authorization, a suitable site was never found and construction never started.

Yucca Mountain Site

According to proponents of the Yucca Mountain facility, the site is ideal for the developing an underground permanent repository for two reasons: (1) its remote location away from heavy population centers; and

(2) a water table 2,000 feet below the surface, giving ideal dryness and reducing the chance of groundwater contamination. However, critics contend that DOE has mishandled and mismanaged activities at the site from the very beginning. The program has been called unfocused and in disarray, and the staff as well as private contractors have often been accused of conflicts of interest. DOE blames the slow progress on a lack of congressional funding and support.

In addition, under intense pressure from the energy industry and Congress, the program has been accused of ignoring and avoiding objective scientific analysis to gain approval of the site. According to some critics, the selection was a purely political process in which the weakest political state of the final three options was designated as the location. Texas, with the protection of the then-Speaker Jim Wright (D-TX), and Washington, defended by then-Majority Leader Tom Foley (D-WA), were conspicuously dropped, critics charge.

Despite all the complaints, the program has had some success. DOE has begun constructing an underground laboratory through the establishment of a tunnel that is more than 650 feet deep and 25 feet wide. The laboratory will be used to determine if the rocky underground facility is suitable for holding nuclear material for tens of thousands of years. A final recommendation on the site's suitability is not expected until 2001. Once operational, the facility will accept tons of material in special canisters intended to prevent leakage for at least 1,000 years. The radioactivity can remain for anywhere from 50,000 to 240,000 years, but after 1,000 years, scientists theorize enough of a geological barrier will have formed to protect the public.

Under the direction of the Clinton Administration, DOE has established a specific plan for making the Yucca Mountain permanent facility operational by 2010. To reach that deadline, DOE completed a scientific confirmation of site suitability in 1998, and expects to (1) submit a required license application to the NRC by December 31, 2002; (2) receive approval for the application by 2006; and (3) achieve a fully operational site within six years of approval.

Provisions:

Storage and Disposal

S. 1287 establishes a schedule for making final decisions about developing the Yucca Mountain site as a nuclear waste repository. Development decisions will be made by (1) the Energy Secretary by December 31, 2001; (2) the president by March 31, 2002; and (3) the Nuclear Regulatory Commission (NRC) by January 31, 2006. Once the NRC grants a construction permit, spent fuel may be received at the site.

The bill also:

* outlines the circumstances under which the Energy Secretary will take possession of and transport for storage at the repository site such spent nuclear fuel amounts that the NRC determines cannot be stored onsite;

* prohibits the EPA Administrator from publishing or adopting public health and safety standards governing radiological releases from Yucca Mountain except in accordance with the bill and before June 1, 2001. Before the EPA releases its standards, it must first confer

with the NRC and National Academy of Sciences (NAS). In addition, the bill sets a deadline for delivering reports to Congress by the EPA administrator, the NRC, and the NAS regarding Yucca Mountain environmental protection standards;

* amends the 1982 Nuclear Waste Policy Act by repealing the 70,000 metric ton restriction placed on a first repository if a second repository is not in operation;

* authorizes the Energy Secretary to enter into settlement agreements and grant relief to contract holders because of harm caused by failing to meet Department of Energy (DOE) commitments or to settle legal claims resulting from such a failure;

* fixes the amount of expenditures that may be made from the Nuclear Waste Fund for costs incurred pursuant to a settlement agreement or backup storage contract;

* authorizes the Energy Secretary to take title (according to specific guidelines) to specified spent nuclear fuel from the Dairyland Power Cooperative La Crosse Boiling Water Reactor;

* delineates implementation guidelines for an acceptance schedule and instructs the secretary (acting with the contract holders) to define a specified multi-year period for each shipping schedule and to establish criteria for the secretary to accept contract holders' cumulative allocations of spent nuclear fuel during the same time period; and

* conveys specified lands, including attendant easements for utilities, to Nye County, and Lincoln County Nevada or to the City of Caliente in Nevada.

Transportation

S. 1287 designates the NRC and the Transportation Secretary as the licensing and regulatory authorities for transporting spent nuclear fuel and high-level radioactive waste to either a civilian nuclear power reactor or to any DOE facility. Additionally, the secretary must use preferred shipping routes from each shipping origin to the repository and adhere to regulations promulgated by the Transportation Secretary. The measure mandates that the Waste Isolation Pilot Program (WIPP) model be used for transportation safety guidelines for drivers emergency training, and other waste transportation training programs. The bill authorizes the Energy Secretary to make expenditures from the Nuclear Waste Fund to implement transportation guidelines. Finally, the measure instructs the Secretary of Transportation to promote training standard regulations for workers directly involved in the removal and transportation of radioactive waste and prescribes training standards contents, including emergency responder training standards.

Developing a National Spent Nuclear Fuel Strategy

This measure establishes an Office of Spent Nuclear Fuel Research in the Office of Nuclear Energy Science and Technology (DOE) to be headed by an Associate Director (AD). The AD will implement an integrated research, development, and demonstration program on technologies for treating, recycling, and disposing of radioactive waste.

General and Miscellaneous Provisions

The measure also:

* authorizes the Energy Secretary to establish a Decommissioning Pilot Program to decommission and decontaminate the sodium-cooled fast breeder experimental test-site reactor located in northwest Arkansas. The bill prohibits the use of Nuclear Waste Funds to establish the program;

* instructs the secretary to report on all alternatives available to the Northern States Power (NSP) Company and the federal government that would allow NSP to operate the Prairie Island Nuclear Generating Plant until the end of the term of its current NRC licenses;

* directs the General Accounting Office to report to certain congressional committees on the potential economic impacts to Minnesota, North Dakota, South Dakota, Wisconsin, and Michigan ratepayers should their nuclear plant operations cease once its state-imposed storage limitation has been met, including costs of new generation, decommissioning, and continued operation of onsite storage of spent nuclear fuel; and

* declares that any spent nuclear fuel associated with the Fast Flux Test Facility at the Hanford Reservation will be transported and stored at the repository site as soon as practical after NRC construction authorization.

Arguments For and Against the Bill:

Arguments for S. 1287

This bill is necessary to protect America from the harmful effects of nuclear waste. The federal government has a statutory obligation to take charge of commercial spent fuel, and yet, the project to fulfill this responsibility is at least six years behind schedule. This delay has fostered legal claims that amount to $8.5 billion. Without this bill, the Energy Department will be subject to endless litigation, which will drain the project's funds and prevent the creation of any nuclear waste storage facility.

The risk of transporting nuclear waste is minimal, as the transport will be governed by the same procedures that have successfully transported over 2,400 shipments of nuclear waste across the country without incident for over 25 years. The bill includes several additional safety features to help states prepare for the transport. The WIPP transportation guidelines have been extremely successful in improving safety and training people who have to work with nuclear waste. Adhering to these new requirements will ensure that accidents will not happen because educated workers will not make simple mistakes.

Room for storing nuclear waste is either at capacity or soon to reach capacity at most nuclear reactors. Presently, licenses for dry cask storage of spent fuel have been approved for 10 operating commercial reactor sites and two decommission civilian reactor sites. By 2001, 80 sites will have exhausted their water storage capacity and will shift to above-ground dry cask system. On-site storage has remained safe only because of intense oversight, which may drop dramatically as time passes at sites that are no longer operational. Furthermore, placing spent fuel at an isolated centralized interim site makes inspections more

focused and efficient while reducing the consequences of an accident. Finally, the tests at the Yucca Mountain site are nearly complete and every test has indicated that the site is geologically stable.

Arguments against S. 1287

This bill may well place the health of Americans in danger. Moving otherwise safe canisters of radioactive material across the country increases the risk of a disaster. Even the smallest release of radioactive material poses health threats to the unsuspecting citizen. A *small* accident could cause a canister seal to weaken and release waste on the ground. A major accident could cause a fire that cannot be extinguished within the half-hour time limit before the integrity of the canister is sacrificed.

Presently, storing the waste at the production site is extremely safe, with no record of incident to date. Transporting the waste will affect 43 states and pass through several highly populated areas.

S. 1287 does not address some of the most important issues. It deletes the interim storage facility and replaces it with "early acceptance," which is contingent upon NRC licensing the permanent repository. The Senate bill also does nothing to address the funding deficiencies in the permanent repository program. Without a funding fix, the 2010 date for opening the repository and the 2007 deadline for early acceptance may be difficult to achieve. In addition, without addressing the funding problem, the $13 billion that has already been paid into the Nuclear Waste Fund by rate-payers of nuclear-generated electricity will be used on non-related programs.

The bill is also faulty on the issues of litigation and transportation. The Senate bill provides little incentive for the utilities to settle their lawsuits against the federal government, provides no protection against a future round of litigation, and requires that the Energy Department make findings that all state, tribal, and local jurisdictions have met training standards and received technical assistance for three years prior to any shipments of spent fuel. This creates a scenario in which waste shipments could be delayed beyond the schedules delineated in S. 1287.

Costs/Committee Action:

An official CBO cost estimate was unavailable at press time.

The House Commerce Committee considered its version (H.R. 45) of Nuclear Waste Policy Amendments Act and reported it by 40-6 vote on April 21, 1999.

Other Information:

"Nuclear Energy Policy," Mark Holt and Zachary Davis, *CRS Issue Brief* IB8890, March 6, 2000; "House Nuke Waste Bill May Be 'On Hold' Until Senate Acts," Chuck McCutcheon, *Congressional Quarterly Daily Monitor*, June 9, 1999, p. 5; "Nuclear Waste Storage Bill Struggles In Both Houses," Brody Mullins, *National Journal's Congress Daily AM*, Friday, May 28, 1999, p. 5-6; "Panel Pursues Nuclear Waste Storage Deal," Chuck McCutcheon, *Congressional Quarterly Weekly Report*, April 17, 1999, p. 897; "Civilian Nuclear Waste Disposal," Mark Holt, *CRS Issue Brief* 92059, October 3, 1997; "Civilian Nuclear Spent Fuel Temporary Storage Options," Mark Holt, *CRS Report* 92-212, November

19, 1996; "Nuclear Energy Policy," Mark Holt and Zachary Davis, *CRS Issue Brief* 88090, August 22, 1997; "Temporary Nuclear Waste Site Wins Strong Panel Vote," Jonathan Weisman, *Congressional Quarterly Weekly Report*, September 20, 1997, p. 2221; "Nuclear Waste Bill Produces Its Own Heated Reactions," Alan Ota, *Congressional Quarterly Weekly Report*, October 18, 1997, p. 2546-2548.

Brendan Shields, 226-0378
Christina Carr, 226-2302

Oil Price Reduction Act

H.R. 3822

Committee on International Relations
H.Rept. 106-___
Introduced by Mr. Gilman on March 2, 2000

Floor Situation:

The House is scheduled to consider H.R. 3822 on Wednesday, March 22, 2000. The Rules Committee is scheduled to meet on the bill at 7:30 p.m. on Tuesday, March 21. Additional information on the rule and potential amendments will be provided in a *FloorPrep* prior to floor consideration.

Summary:

H.R. 3822 states that it is the policy of the United States to (1) determine its political, economic, and security relations with major net oil exporting nations based on whether such countries engage in oil price fixing; and (2) work multilaterally with other major net oil importing nations to completely dismantle international oil price fixing arrangements.

The measure requires the president to report to Congress within 30 days of enactment on (1) the overall economic and security relationship between the U.S. and each major net oil exporting nation, including each OPEC member; (2) how coordination among OPEC countries with respect to oil production and pricing has affected the U.S. economy and global energy supplies; (3) all assistance programs under the 1961 Foreign Assistance Act (*P.L. 87-195*) and the 1975 Arms Export Control Act (*P.L. 94-329*) that are provided to oil producing countries (including licenses for exporting defense articles and services); and (4) which countries (as of the date of the president's determination) are engaged in oil price fixing that harms the U.S. economy.

Thirty days after the president submits his reports, he must (1) undertake a diplomatic campaign to convince countries that engage in harmful oil price fixing that the current oil price levels are unsustainable and will negatively affect global economic growth; and (2) begin negotiating on a multilateral basis to reduce, suspend, or terminate bilateral assistance and arms exports to major net oil exporters engaged in oil price fixing to completely dismantle international oil price fixing arrangements described in the report. In addition, within 120 days of enactment, the president must report to Congress describing his diplomatic efforts regarding oil price fixing and the results of those efforts.

Finally, the bill authorizes the president to reduce, suspend, or terminate assistance of defense articles or services to any country that engages in oil price fixing that harms the U.S. economy.

Background:

The Organization of Petroleum Exporting Countries (OPEC), made up of 11 member countries, currently supplies more than 40 percent of the world's oil and controls approximately 78 percent of the world's total

crude oil reserves. OPEC member countries coordinate their production policies with the goals of stabilizing the oil market, helping the oil producers achieve a reasonable rate on their investments, and ensuring that consumers continue to receive stable oil supplies. Since OPEC members rely heavily on oil sales for government funding and much of their Gross Domestic Product (GDP), low oil prices in 1998 adversely affected the economies of several member countries.

On March 23, 1999, OPEC and other oil producing countries cut oil production to boost prices. This caused oil prices to skyrocket to $30 a barrel in mid-February 2000, up from $11 a barrel in December 1998. Four non-member countries—Mexico, Norway, Russia, and Oman—also pledged to cut production, with the goal of stabilizing oil prices at $21 a barrel. By early 2000, the price of oil exceeded $30 a barrel and the world's oil supply had dropped by 2.1 million barrels a day.

In late 1999, certain regions of the United States began to be affected by declining oil inventories. By January 2000, residential heating oil prices had doubled from year-earlier prices and on-highway diesel fuel prices had increased by 50 percent from the year-earlier figure by February. By mid-February 2000, U.S. refineries' crude stocks had fallen to near record lows (total petroleum stocks were only two days of consumption above minimal amount operating levels). In addition, gas prices have risen to an average of $1.46 per gallon, a 50 percent increase over the year-earlier level (prices in some areas of the country have risen to nearly $2 per gallon). These price increases have caused inflammatory shocks to the U.S. economy (*e.g.* disruption in barge and truck transportation, tights supplies of crude oil, and lower refinery utilization) and may threaten the global economic recovery underway in Europe and Asia where the demand for oil is rising.

On February 26, 2000, Oil Minister of Saudi Arabia Ali al-Naimi and U.S. Energy Secretary Bill Richardson met and issued a statement agreeing that both the producer and consumer countries are affected by price volatility in world oil markets, but Saudi Arabia did not commit to any specific production increases at the time. On March 27, Secretary Richardson will meet with OPEC members to urge them to raise output to ease prices and restock resources depleted by winter weather.

As of Thursday, March 16, the Clinton Administration has refused to take any high profile actions to intervene and attempt to lower high oil prices, instead trying to persuade OPEC to take action against high-priced oil fixing. On March 16, the president announced that he would consider steps to remedy the rising cost of gas and oil prices. One measure the administration is reviewing is a proposal by House Democrats to halt international exports of Alaskan crude oil and use that oil for domestic use. To do so, the president must declare an economic emergency.

Opponents of U.S. government intervention argue that any federal action is unwarranted in the current situation because the high oil prices are temporary and attracting a product to where it is needed. They claim that higher prices discourage discretionary consumption and attract the product to areas where supply is low. Opponents also believe that less consumption of oil and gas is better for the environment by encouraging more moderate uses of these harmful products. Many also feel that if the U.S. government intervenes, many OPEC nations will retaliate and export lesser amounts of oil than they are currently. Already, Kuwait and Saudi Arabia have not committed to Secretary Richardson's proposals concerning specific production increases and these two countries hold over 65 percent of OPEC's spared production capacity.

On the other side, proponents of government intervention say that the quality of life is adversely affected by higher prices because residential home heating costs have doubled, hurting people with fixed incomes. The

cost of heating oil prices has risen from $0.86 per gallon in February 1999 to $1.86 per gallon today. This sharp increase occurred during the winter months and affected many homes and families throughout the Northeast. They argue that the government should use some form of the Strategic Petroleum Reserves (SPR). The SPR was created in 1975 for a below-ground reserve of crude oil that would be available in the event of the interruption in the oil supply, as in 1973-74 and 1979-80. Although the Clinton Administration may authorize a drawdown of oil if a supply shortage threatens adverse economic impacts, it has so far argued that the present situation is not a supply shortage for which the SPR was created.

Costs/Committee Action:

A CBO cost estimate was unavailable at press time.

The International Relations Committee reported the bill by voice vote on March 15, 2000.

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